



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

July 15, 1996

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES
AND THE DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)

FROM : Steven Kelman *SK*
Administrator

SUBJECT: Competing Delivery Orders under Multiple Award
Contracts for COTS Products

It has been brought to my attention that agencies may be creating unnecessary burden when awarding delivery orders under multiple award IDIQ contracts for COTS products, especially information technology products. We understand that some agencies are interpreting the "fair opportunity to be considered" language in FAR 16.505(b) as requiring them to compete each order even though they already may have information available to determine which awardee offers the best value and price for the government.

Under multiple award IDIQ contracts for COTS products, prices are typically set forth in price sheets and are often available electronically on bulletin boards for customers to select the products that best satisfy their needs. As long as the contracting officer or customer can easily compare the various prices and products being offered under these contracts, awardees will have been given a fair opportunity to be considered and the requirement set forth in the Federal Acquisition Streamlining Act to do such will have been met. Negotiations with each awardee prior to awarding a delivery order should not be necessary, unless the contracting officer believes that the information provided on the price sheets is insufficient to make an award in the best interest of the government.

We believe that this additional guidance can help to make multiple award contracts a more effective and efficient contracting vehicle for the purchase of COTS products. Should you have further questions, please contact Linda Williams of my staff on 202-395-3302.